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Watergate One Year Later

THE EDITORS

Portugal and Africa

JAY O'BRIEN

World Capitalist Trends

IMMANUEL WALLERSTEIN

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NOTES FROM THE EDITORS

This issue marks MR's 25th anniversary, Volume 1, Number 1 having appeared (with some 400 subscribers) in May 1949. To celebrate the occasion we asked a number of MR authors—those who have written articles for the magazine or books (some as yet unpublished) for the Press—to write a short essay on the most important developments in Marxist or radical thought during the quarter century and the areas most in need of further work in the period ahead. Owing largely to our own lateness in issuing the invitations, the deadline set for manuscripts to be delivered proved unrealistic, so that we are obliged to postpone publication of the replies until the June issue. Those who responded to our invitation

(*Continued on inside back cover*)

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NOTES ON WATERGATE ONE YEAR LATER

When and how the Watergate affair will end is still anyone's guess. Congressional investigations and court trials have generated a momentum of their own, producing a seemingly unending flow of scandal and sensation. On top of this, new rumors of additional revelations crop up almost daily, and various scenarios about impeachment or resignation of the President are afloat. Despite all this confusion and uncertainty, however, the longer Watergate occupies the center of the stage the clearer it becomes that the seemingly ruthless investigations and exposures by Congress, prosecuting attorneys, and the press are further and further removed from what really matters — the foreign and domestic programs and practices of the Nixon administration. Instead, the focus is on the evildoings of Nixon and his gang: the abuse of the office of the President for personal and political advantage, and the elaborate, if incompetent, attempts to cover up the skulduggery.

What is too easily overlooked is that this increasing concentration on the narrow and personal issues is serving to obscure and deflect attention from the really critical problems facing American society and the capitalist world as a whole. In fact, it is not too farfetched to argue that the prevailing obsessive preoccupation with the whole gamut of events associated with the term Watergate is in large measure a reflection of frustra-

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tions of the U.S. ruling class and its representatives in Congress brought on by unsuccessful efforts to cope with growing dangers to the future of capitalism. In this interpretation the drama of Watergate is the peculiarly American version of the political instability spreading throughout all the advanced capitalist nations. In each country, to be sure, accidental events shape and influence the character of the emerging political crisis. But underlying the entire upheaval are the increasingly evident and apparently unsolvable problems flowing from the fundamental contradiction between a mode of production that is social in nature and the unsocial (or antisocial) uses to which the means of production are put by their private owners in the pursuit of ever more profits and capital.

The popular version of the events surrounding Watergate sees them as a sort of fateful struggle to determine whether democratic principles will be re-established in American political life. This view, however, glosses over the essence of what has been and is happening. The plain facts are that attacks against radicals and militant black and other ethnic minority groups have never ceased. Despite all the excitement over abuses of democratic procedures, there is no sign in ruling circles of even a passing interest in checking, let alone reversing, the post-Second World War trend of political repression for which Democrats and Republicans have been and continue to be equally responsible. All that is at stake in the Watergate affair is that Nixon didn't play the game according to the traditional rules of *bourgeois* democracy, American style: he made the mistake of extending the tactics of suppression beyond radicals to those who should have been treated as respectable partners in political power. This point was clearly explained by Noam Chomsky:

> The political Center was subjected to an attack with techniques that are usually reserved for those who depart from the norms of acceptable political belief. Powerful groups that normally share in setting public policy were excluded, irrespective of party, and the counterattack thus crosses party lines. . . .
>
> We read lofty sermons on Nixon's move to undermine the two-party system, the foundations of American democracy. But

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plainly what CREEP [Committee to Re-elect the President] was doing to the Democrats is insignificant in comparison with the bipartisan attack on the Communist Party in the postwar period or, to take a less familiar case, the campaign against the Socialist Workers Party, which in the post-Watergate climate has filed suit to restrain government agencies from their perpetual harassment, intimidation, surveillance, and worse. Serious civil rights or antiwar groups have regularly discovered government provocateurs among their most militant members. Judicial and other harassment of dissidents and their organizations has been common practice, whoever happens to be in office. So deeply ingrained are the habits of the state agencies of repression that even in the glare of Watergate the government could not refrain from infiltrating an informer into the defense team in the Gainesville VVAW trial; while the special prosecutor swore under oath that the informer, since revealed, was not a government agent.

Watergate is, indeed, a deviation from past practice, not so much in scale or in principle as in the choice of targets. The targets now include the rich and respectable, spokesmen for official ideology, men who are expected to share power, to design social policy, and to mold popular opinion. Such people are not fair game for persecution at the hands of the state. ("Watergate: A Skeptical View," *The New York Review of Books,* September 20, 1973, p. 3.)

Actually, the Nixon phenomenon can best be understood in terms of the man's long political history as an excrescence of the anti-Communist hysteria that flourished in the United States after the Second World War. Far from being an accidental phenomenon, this postwar anti-Communism was an important component of the counter-revolutions conducted directly, or spurred and stimulated, by the imperialist powers against revolutionary and national liberation movements around the world. The United States as the main driving force and organizer of counter-revolution also took the lead in exorcising its own internal red menace. The removal of Communists, independent socialists, and other radical nonconformists from crucial sectors of national life, as well as the accompanying miasma of fear, discouraged controversy over the fundamentals of U.S. foreign policy. The anti-Communism that swept the nation, plus the knuckling under of the liberal defenders of democracy and academic freedom, created the environment the ruling class needed to carry through its imperialist programs.

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It was only with the rise of the anti-Vietnam-War movement in the 1960s that a serious challenge was posed to this regime of anti-Communist intimidation.

While domestic and foreign anti-Communism was a necessary part of the general design of U.S. imperialism, the execution of the policies which it implied called for a new breed of specialists, who in turn influenced and helped shape the concrete forms of this kind of activity and pushed the hysteria to ever new heights. Here was an ideal breeding ground for demagogues and political adventurers. It was in this seedbed that Richard Nixon sank his roots, and from it his political career grew and flowered. In terms of self-advancement, Nixon proved to be the most successful of the exorcists of the red devil. Senator Joseph McCarthy too sought the presidency, but he came a cropper when he turned his venom against Eisenhower and the elite of the Republican Party. McCarthy was a one-issue man, and to get the most out of this one issue he needed to extend his anti-Communist crusade to extreme limits. Nixon, on the other hand, broadened out into other fields to demonstrate his worth to the powers that be. He became not only a specialist in the suppression of radicals, but a mighty defender of the interests of private property and religion.*

Despite this exercise in diversification, the habits of thought and techniques of exercising state power learned in the anti-Communist campaigns stayed with Nixon. The dirty tricks and the abuses of law and democratic principles that he and his cohorts employed in gaining, retaining, and strengthening his political position as head of state are merely a further extension of the methods he adopted to launch his initial political career in the first place.

Nixon is thus very much a product of our society and of our times. Far from being an aberration or a sport, he is fairly

* This is not the occasion to explore Nixon's ties with special interest groups. However, those who think that Nixon represents the new moneyed groups of the Southwest in conflict with those of the traditional Eastern establishment should ponder the splendid services he has been performing for the giant oil monopolies of the Eastern Establishment in the current energy crisis.

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representative of a species that breeds in the environment of imperialist expansion and international counter-revolution. Such a milieu is of course also a fertile breeding ground for the fascist *bacillus,* with personalities like Joseph McCarthy and Richard Nixon acting as willing carriers of the disease. But if we want to see things in proper perspective, it is important to distinguish between a propensity to fascism, the use of repressive techniques that bear some resemblance to fascist methods, and the real thing. In the present context there is a danger of imputing too much significance to the Watergate revelations, and of going on to conclude that corrective measures set in motion by Watergate in effect nipped fascism in the bud.

Nixon's conduct in the White House is, to be sure, fair warning of one way in which fascism might develop in the United States. But in our judgment the evidence does not support the view that Watergate itself (including all the preceding and related operators and operations, such as the plumbers and the surveillance of newsmen, top government officials, Democratic Party leaders, as well as radicals) was a prelude to the fascist state.* Naturally, we can't speak about what was in Nixon's mind or that of his special cronies in the business world (many of whom seem to have been more concerned with using White House influence to add to their personal fortunes — by circumventing the law and other means — than with social policy).

From the point of view of the present analysis, what is more important is that as far as the evidence goes it appears that neither the ruling class as a whole nor strategic sectors of it were ready for or sought a fascist takeover. Why should they have? Despite rumblings in some sectors of the society and a general state of popular dissatisfaction, there is no organized power group (either political or trade union) that represents any sort of threat to capitalist power. This means that up to now bourgeois democracy has continued to serve the purposes

* For an interesting comment on this point, see the useful article by Noam Chomsky, "The President and the Presidency," *Liberation* (November 1973).

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of the capitalist class; and as long as it does, there is no compelling reason for basic political change. Indeed, one of the chief bulwarks of capitalist power in the United States is that by all signs the people of this country hold onto the myths of bourgeois democracy, even after Watergate and despite growing cynicism about political rascality. To put it in Lenin's terms, the problems facing the ruling circles are objective, not subjective. The difficulties are in the area of administering the imperialist empire, of coping with rivalry of competing capitalisms, of inability to control inflation and to provide full employment. On the other hand, there is as yet nowhere in sight a meaningful challenge to the inner security of the capitalist state, no major force that recognizes the necessity of socialism as a way out of the capitalist morass. Under these circumstances, there is no urgency to choose fascism.

Lest the reader misunderstand, let us emphasize that we are here distinguishing between on the one hand a fascist regime which replaces bourgeois democracy and on the other the repression exercised, as in the United States, by a bipartisan bourgeois democratic state. As noted above, on the issue of repression of radical protest there is no serious controversy in either of the two political parties. The possibility, moreover, of further repression, ostensibly aimed precisely at preserving the trappings and sustaining the myths of bourgeois democracy, must definitely be reckoned with. Further deterioration of civil liberties will surely be on the ruling-class agenda as and when the time comes, for example, to whip the population into shape for new imperialist adventures or for a major attack on the living standards of the working class in defense of corporate profits and to improve the balance of payments. It is also true that the borderline between declining bourgeois democracy and full-fledged fascism can at times be quite fuzzy, and that fascism, if it does come to the United States, may take forms different from the classic German and Italian cases. In addition, it is surely necessary in the age of imperialism and militarism to be alert to the threat of what may be called creeping fascism. But none of this warrants the interpretation of the political battles over Watergate as a struggle between democracy and fascism. In fact, this way

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of viewing the situation confuses rather than clarifies the main issues, especially at a time when what is at stake is not a change in the character of the political regime so much as a shift in power relations within the existing regime toward a stronger Presidency and a weaker Congress.

The chief worry of the liberals over the weakness of Congress is projected by *New York Times* columnist Russell Baker with his usual irony:

> [Congress] has soaked so long in the juices of its own mediocrity that its confidence has withered. It is fearful of Presidents and, therefore, deferential to a fault. It knows how to vote its powers away to Presidents, and how to complain when they use them, but it has been a long time since it seriously considered itself in the imperial weight class with Presidents.
>
> Congress is not suited for this sort of work. In its declining years it has adapted itself for unambitious service chores. These days it is fitted principally for servicing the powerful and the rich, who repay the obligation by picking up the bills for re-electing Congressmen, who repay the obligation by assuring a perpetually rising standard of living for the rich and the powerful, the labor unions among them. (*The New York Times Magazine,* March 24, 1974, p. 71.)

Sharp and relevant as Baker's barbs may be, they nevertheless evade the real issue. The gradual decline of Congressional power is not the result of the mediocrity of Congress or of individual Congressmen and Congresswomen. It is the other way around. Congress loses its authority and the quality of its membership becomes increasingly mediocre because it perforce must give up more and more power to the executive branch. And the reason is the requirements and imperatives of monopoly capitalism and imperialism. The more the capitalist state increases its participation in day-to-day economic affairs in order to counteract the ever-present threat of stagnation, the more power has to be centralized in the executive offices. The more extensive the imperialist empire and the greater the military establishment, the more pressure is exerted to transfer decision-making from Capitol Hill to the White House. Nixon did not create the situation; he merely took advantage of the necessary

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growth of executive power. And even in the face of the widespread popular revulsion against Nixon and the animosity toward him prevalent in Congress, there is no reason to expect that Congress will seriously tackle, as distinct from talking about, the task of increasing Congressional power.

At bottom the reason for this lack of serious conflict between Congress and President is that on all essential questions they are in basic agreement, regardless of whether the President is a Nixon or a more respectable character. Differences over tactics do arise in Congressional circles as they do in the real centers of power in the ruling class, a fact which surfaced most clearly on the issue of how long U.S. direct involvement in the Indochina war should continue. Divergent political lines are also drawn on domestic matters, between on the one hand a liberal wing that stresses welfare and economic concessions to the working class, and on the other hand a conservative wing that pushes for greater concessions to the rich along with a more overt policy of repression. These tactical alternatives are, however, normally kept within narrow bounds because of overriding imperatives on which there is general agreement. Thus, the war in Indochina proceeds, with the counter-revolutionary forces being financed and supplied by the U.S. government. Furthermore, as long as basic agreement on the program of imperialism and its accompanying military budget prevails, the concessions favored by the liberals are perforce restricted. And above all, under the banner of national security, the very same banner Nixon waved to justify the crimes of Watergate, liberals and conservatives will unite to protect the sacred office of the Presidency.

In all fairness, it must be admitted that much of the weakness of the Congress results from an inability to find solutions to apparently insoluble problems that emanate from the snowballing contradictions of the capitalist system as a whole. (This, incidentally, is why to many the fuss and fury over Watergate is a welcome diversion rather than a deplorable evil.) Take, for example, the deep-seated faith that increasing production and productivity are the sovereign panacea for all the ills of capitalism. Yes, the argument goes, the poor will always be with

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us. But as the pie gets bigger, the poor will be better off, even if their share remains the same. Similarly, distortions in regional growth or in industrial balance (e.g., between raw materials and finished products) will eventually diminish or disappear under the impetus of an ever-increasing accumulation of capital. True or false, and it is, on balance, much more false than true, this doctrine is an essential item of faith for a capitalist society and in the final analysis provides the rationale for its social policy (including neglect of the worst evils of capitalism).

At the same time it is clear that this myth has been severely shaken as we have become aware of growing shortages of raw materials and energy sources and of the increasingly severe impact of multifarious forms of pollution on the health and well-being of whole populations. Instead of a universal panacea, it turns out that growth is itself a cause of disease. But how is one to stop growth and yet keep capitalist enterprise afloat? In the absence of growth, for example, industries that produce machinery and other means of production would wither, since they would be confined to making only replacement equipment. Declining capital goods industries in turn would result in reduced employment and thus declining consumer demand, which in turn would end up in shutdowns of factories manufacturing consumer goods.

But this is only one side of the picture. Suppose we forget about trying to control growth and instead focus on abating the effects of growth by reducing pollution and arranging for a more rational use of raw materials and energy. Such an approach, it is clear, would entail a high degre of social planning: nothing less than a wholesale redirection of the economy involving, among other things, changes in population distribution, methods of transportation, and plant locations—none of which can be subjected to real social planning without violating the rights of private property in land, factories, stocks and bonds, etc.

From whichever side the problem is approached—controlling growth or restructuring existing production, transportation, and residential patterns—we come up against antagonisms and conflicts of interest that capitalists and those charged

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with protecting capitalist society cannot, in the very nature of the case, face up to. In the final analysis, what stands in the way of any effective action is the contradiction between the social potential of present-day technology and the antisocial results of private ownership of the means of production.

The way around this dilemma for the wielders of power in capitalist society is in effect to ignore it, to whistle in the dark until the next crisis appears, and then to try to cope with the new crisis on an emergency basis. Unfortunately for them, the everyday problem of inflation, and the tensions it produces, cannot so easily be pushed aside. Here too the cure turns out to be disease-ridden, and the faith in the cure based on myth. The myth amounted to the belief that the capitalist economy was fundamentally sound, that such weaknesses as showed up were only temporary, and that periodic inflationary stimuli, like electric jolts used to reactivate a heart muscle, would set things right again. Recent events have demonstrated that the diagnosis was at fault. Recurrent slowdowns in production and increases in unemployment are due not to temporary weaknesses but to the system's built-in tendency to stagnation. In addition, repeated inflationary injections do not automatically correct themselves in the period of monopoly capitalism, since monopoly capital has an inflationary bias of its own. As explained in last month's Review of the Month, this limits the choices available for the decision-makers charged with responsibility for sustaining capitalism either to inviting depression or to promoting still more inflation.

For the ruling class and its representatives the major areas of frustration which have been sketched above are merely illustrative of the pressures bearing down on U.S. capitalism. A fuller account would have to deal with many other contradictions of the world capitalist system—inter-imperialist rivalries, trade and monetary wars, the threat of new national liberation struggles and socialist revolutions in the Third World, to name only a few—which the policy-makers in Washington must confront and yet are powerless to solve. To achieve proper perspective, Watergate must be seen against this background. It is a disgrace, an abomination, an indication of the depths to which

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those corrupted by capitalist power can sink. But it is essentially a sideshow, and whatever way it is resolved will have little if any effect on the lives of the great mass of the people. It is only when they begin to take matters into their own hands and to seek out solutions which leave behind all the insane tabus and myths of capitalism that history will have reached a genuine turning point.

(April 10, 1974)

There is, of course, plenty of darkness around us now, just as there was between the two wars. Those who wish to despair can find cause enough and more in our everyday life. Marxism does not console anyone by playing down difficulties, or minimizing the material and moral darkness which surrounds us human beings today. The difference is only—but in this "only" lies a whole world—that Marxism has a grasp of the main lines of human development and recognizes its laws. Those who have arrived at such knowledge know, in spite of all temporary darkness, both whence we have come and where we are going. And those who know this find the world changed in their eyes: they see purposeful development where formerly only a blind, senseless confusion surrounded them. Where the philosophy of despair weeps for the collapse of a world and the destruction of culture, there Marxists watch the birth-pangs of a new world and assist in mitigating the pains of labour.

—Georg Lukács, *Studies in European Realism*

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TRENDS IN WORLD CAPITALISM

BY IMMANUEL WALLERSTEIN

One of the best ways to find out what people in power are thinking is to read the statements they make to their own cadres in which they justify shifts in position. For 25 years, the United States has boycotted and sought to get its friends and allies to boycott trade with the "Communist world." As we all know, this is no longer so. On October 13, 1973, William J. Casey, U.S. Under Secretary of State for Economic Affairs, explained to the Business Council meeting in Hot Springs, Virginia, the rationale for what he somewhat carefully entitled "commercial relations with state-controlled economies." (Department of State *Bulletin,* November 5, 1973)

Casey showed no shyness in outlining the purposes of expanded trade of the United States with the USSR and China. He started with the immediate impetus: the trade and payments deficit the United States has been so concerned about in recent years. For 1973, American trade with the USSR and China has been running 4 to 1 in the U.S. favor, amounting to a surplus of $2 billion which, in Casey's words, "has made a major con-

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tribution to working our way out of the enormous trade and payments deficit we sustained last year."

Furthermore Casey makes very clear that they are *competing* with Western Europe and Japan for the Soviet market. He boasts that the United States made so much progress in 1973 that it is now "second only to Germany" as a Soviet supplier, which is a "remarkable achievement," given that "Germany, France, Britain, and Japan have been working intensively on the Soviet market for almost ten years and have the advantages of geographic proximity, a longer record of previous dealings, frequently a greater flexibility in being able to accept barter deals, etc."

But what is this trade about? Grain is being exported by the United States, to be sure, but Casey dismisses this as an accidental phenomenon deriving from "a poor harvest" and therefore transitional. Casey asserts that the Soviets wish "to acquire technology, capital, and management skills from American, European, and Japanese corporations," in order to exploit "the large ore and gas deposits and great forest resources which exist within the Soviet Union."

Nor is that all: "Beyond that, [the Soviets] seem prepared to offer opportunities to build production facilities which have high energy needs near their hydroelectric plants, which can provide cheap energy, and to which accessible and cheap raw material can be easily brought." Was Casey being diplomatic in neglecting to mention that cheap labor is also part of such a picture?

Of course, there might be some limits to U.S. willingness to invest in the USSR. Casey suggests two, one economic, one political. The economic limitation is that the United States would assist in building up Soviet capacity, "particularly in the energy field," only to the extent that it does not interfere with "domestic economic interests." But Casey is sanguine about the overall advantages of such investment. "[The USSR] could supply us with long-term supplies of energy and raw materials to replace depleted domestic sources. They would require massive exports of American capital equipment." Somewhat like Brazil or Canada, one might think. And furthermore, Casey assures American businessmen, the losers would be the Europeans. "The product

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which would constitute repayment for that equipment would on the whole compete with imports from other sources more than with domestic production."

To facilitate such exchange, Casey says, "medium- and long-term credits" are "essential"; but, after all, he says, this is true of "sales of capital equipment to any country, East, West, or South."

There is the second constraint, the political one. The "guiding principle" of this process of increasing economic exchange is that "economic normalization is linked with progress toward the improvement of political relations." The pace of economic interchange "thus has been regulated by the pace of advancement in the political sphere." Words could not be clearer.

But Casey, the analyst, does not rest here. He says we cannot "fully grasp the implications of the Soviet determination to seek partnership with the West" without examining "the broader context." And what is this broader context? Casey reminds us that, in recent decades, the industrialized world has recruited unskilled labor from areas on its edges (Southern Europe and North and West Africa for Europe, the Caribbean and parts of South America for the United States and Canada). "They now recognize that they have gone about as far as they can in that direction and are beginning to seek further economic expansion by bringing plants to the workers rather than the workers to their plants." He notes in passing that this has the additional advantage of moving "polluting industries" out from the rich lands to the poor lands.

If the United States does not join this movement, not only will European and Japanese companies gain an edge over them, but they might begin to colonize the United States itself by means of "direct investment in the United States."

In this noble task of salvaging the U.S. economy via large-scale investment in the USSR, Casey sees the interests of the U.S. government and of the U.S.-based multinational corporations as "parallel," at least "for the most part." Thus, he says, "proposals here and abroad to regulate multinational corporations . . . would be counterproductive."

Is there any distinction for Casey in the role of China as against that of the USSR in this picture? It is not clear. He notes

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that the trade balance with China is even more favorable than with the Soviet Union: "somewhere in the area of 14 to 1." Although this imbalance is too extreme to continue, Casey foresees expanding exports to China nonetheless. He sees three kinds of products China will want: cotton ("as much as a quarter of the U.S. cotton crop"), large passenger aircraft and parts, and "a series of whole-plant turnkey contracts," especially in the fields of chemical and petrochemical industries.

Casey says: "Turnkey plant contracts made with offshore subsidiaries of U.S. companies and foreign companies, buying much of the plant equipment and other components in the United States, now approach $1 billion. As we appraise their economic development plans, there will be major opportunities to sell road-building, construction, and mining equipment and some petroleum equipment." But whether the United States intends to buy the products generated by this equipment, as it intends to do in the case of the USSR, is left unsaid—and perhaps undecided. Except that Casey notes: "For our trade with the People's Republic to expand further, it will in the long run be necessary for us to buy more from them."

As for Eastern Europe, we are told that Poland, Hungary, and Yugoslavia "have an avid desire for American machinery and technology. They have ambitious development programs and are counting heavily on American equipment." Casey says he was "particularly impressed" with what he calls in quotation marks the "creeping capitalism" of the Yugoslav economy. (Did Dr. Kissinger learn this phrase from Premier Chou?) The content to which he refers is the existence of "some 80 joint ventures with Western firms," of which seven are with U.S. firms. But still more beckons on the horizon. "In our discussions [in Yugoslavia] we were told that restrictions on the repatriation of earnings, which have made joint ventures there of limited attraction to American firms, are about to be liberalized." And such earnings may well be significant. "We are hoping that one contract involving over $100 million is about to break our way."

What can we learn from the picture described to us by this top economic official of the State Department? I would think there are five clear implications for left forces.

(1) The capitalist world economy has entered into one of

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its long-term cyclical downturns. I do not believe this one will be its Armageddon, but it should be clear by now, from a study of all the past such downturns, in particular the long one of 1620-1750 and the shorter one at the end of the nineteenth century, that they lead to great in-fighting among the core capitalist powers and usually to the relative downfall of the leading one (in the two previous cases, the Netherlands and Great Britain). No doubt the United States will suffer the same fate in the next 25-50 years.

This in-fighting leads to a different pattern of world politics in which states that are medium-strong economically have more power to maneuver vis-à-vis the strongest states than they do in moments of world economic expansion.

(2) Casey's speech gives stunning evidence, if such we needed, that we are *all* still living in a *single* capitalist world economy, in which the "state-controlled economies" operate as large firms with particular systems of internal distribution of rewards; their production, however, is still necessarily geared to trade on a capitalist world market and is therefore still constrained by capitalist norms.

(3) The countries with "state-controlled economies"—the USSR, Eastern Europe, China, (North) Korea, (North) Vietnam, Cuba—are virtually all located somewhere in an intermediate band of countries in this world capitalist system, a band I have called the "semi-periphery," although no doubt the USSR is laying claim today to becoming a core country, and such countries as Albania, Bulgaria, and even Cuba are better called "peripheral."

The contemporary economic role of this intermediate band in the world system is to concentrate heavily on transformation industries which can supply their own needs and eventually those of neighboring peripheral countries but which are still dependent on the core capitalist countries for the purchase of sophisticated machinery and technology.

The end product of 30-40 years of Soviet "withdrawal" from the world economy and 10-15 years of Chinese "withdrawal" has not been to end such dependence but to ensure that they could take advantage of it and not be relegated to the category of mere peripheral countries.

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(4) These developments are going to have, are already having, a significant impact on the strength of the left forces in the three main sectors of the contemporary world system: the core capitalist countries, the semi-peripheral countries, (especially those with "state-controlled economies"), and the peripheral states.

In the more obscur internal politics of state-controlled econplosion of activism in the late 1960s, followed by the subsequent heady pace of world realignment, seems to have resulted in a sense of dazzlement and bewilderment of left forces. Is it not striking that in the face of Watergate, an extraordinary crisis that is shaking the governing coalition of U.S. society, there is no coherent, scarcely even a visible, position of the Left? Arm-chair analysts in the mid-1960s yearned for such a political crisis, but is it not a fact that no one seems to know how to take advantage of it, or even how to analyze it with respect to the deeper transformations of the capitalist world economy?

In the obscurer internal politics of state-controlled economies, the Left seems to be strongly on the defensive. Largely conservative forces seem to govern the USSR, and even in China, where the Cultural Revolution represented a major thrust of internal left forces, it is by no means clear what has been the actual outcome; probably we will not know until we see what happens after Mao Tse-tung and Chou En-lai pass from the scene.

As for those semi-peripheral areas which do not have "state-controlled economies," the Left has suffered one defeat after another: Greece, Brazil, now Chile. No wonder the Secretary General of the Italian Communist Party is talking of a "historic compromise" with the Christian Democrats. Better the bishops than the generals.

But the somber present should not keep us from seeing that it is precisely in these semi-peripheral countries, whether of the "state-controlled economy" variety or the more standard "mixed economy" variety, that the Left has the greatest potential in this era. And this for the simple reason that the world economic downturn represents the opportunity for such countries to improve their relative position in the world economy, precisely because such a downturn improves the bargaining position of such countries against the core capitalist states. The left forces are

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those which stand for both aggressive bargaining externally and restructuring internally. They thus have a structural base. But they also run into very severe internal opposition—hence the acute repressions.

As for the peripheral states, the Left is everywhere besieged and quite often frankly discouraged and disillusioned about precisely the developments of which Casey is speaking. What are the prospects of an Angolan liberation movement, not merely to oust Portugal (which may well occur soon), but to stay in power after independence and not be replaced by some now obscure strong man heading a standard neocolonial regime? For how solid in the long run is the support an Angolan movement can hope for from the governments in power in the semi-periphery?

(5) The final point, however, even if the description above is morose, is not to be pessimistic. It is that the world Left must assess the new situation created by this long-run cyclical downturn and carefully analyze the implications for state policy in the "state-controlled economies." Clarity in analysis is the first step to the essential task of the next 25 years: building a world left coalition composed of three segments: one located in the core capitalist states, the second in the "state-controlled economies," the third in the periphery. The outward forms of the Left will vary in the three different structural milieus (should we not expect this?), and short-run interests may vary. Hence the building of old-fashioned "socialist internationalism" may be seen to be far more difficult than our historic analyses may led us to believe. But the building of such an alliance based on three separate pillars seems the only possible way of advancing the worldwide political struggle within the single and still extremely vigorous capitalist world economy.

The man-in-the-street notion that an economy, like Mother Hubbard, can run out of supplies misunderstands the workings of the price system. So long as markets are open, one can never run out of anything: what happens is that the price goes up. A high price stimulates output and limits consumption. When raw materials become relatively scarcer, the prices of raw materials rise to economize their use and to stimulate production of the goods themselves and of synthetic substitutes.

—Charles P. Kindleberger, *Power and Money*

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PORTUGAL AND AFRICA: A DYING IMPERIALISM

BY JAY O'BRIEN

The case of Portuguese colonialism is unique in the world today.[1]* While other Western colonial powers have reluctantly but rationally conceded the right to political independence to their colonies, Portugal clings to the largest remaining empire in the world and endeavors to consolidate political unity among all parts of the empire under the domination of its metropolitan center in Europe.

Portugal's was among the first and most spectacular waves of European overseas expansion, giving it access to the richest sources of wealth available in the fifteenth and sixteenth centuries. Nevertheless, Portugal never moved into a position of significant power in the European political and economic scene, but was reduced to the status of an economic dependency of Great Britain by the end of the seventeenth century. Today Portugal is the poorest country in Western Europe with an aver-

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* Notes will be found at the end of the article.

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age per capita income of $390 a year and virtually no heavy industry. Agriculture still employs the bulk of the work force, predominantly in subsistence production on such a low level that it accounts for only a quarter of the national product and Portugal must import large amounts of the most basic foodstuffs. Portugal clearly has the economy of an underdeveloped country, the reverse of the usual pattern for an imperial power.

The corollary of Portugal's economic underdevelopment and inability to establish the classical positive complementarity of metropolitan and colonial economies is a colonial system in Africa which is dominated by non-Portuguese foreign capital and relies heavily on the exploitation of forced labor, forced cultivation of cash crops, and the wholesale export of labor to neighboring white-ruled African countries. The repressive regime necessary to maintain such a system has aroused the African populations in the Portuguese colonies into some of the most effective revolutionary resistance movements in all of Africa.

Portuguese Expansion and the Origins of Dependency

Iberian expansion overseas beginning in 1415 was more far-reaching and lucrative than anything Europe had previously seen. Within a century the Portuguese trading empire embraced outposts on four continents as well as the major seaways of the world. The Portuguese empire provided much of the initial accumulation and founded the extensive networks of international trade which helped make possible the development of capitalism and industry in Europe in the following centuries. But the Portuguese empire was of a different sort from the great capitalist empires which superseded it: while the former represented a moribund economic system attempting through expansion to sustain itself, the latter represented the expansion of a dynamic new type of economic system. Portuguese expansion was revolutionary in its impact on the world, but conservative in origin and intent, while the initial expansion of Great Britain, by contrast, was revolutionary in impulse and aim, as well as in its effects. In these circumstances it is hardly surprising that in the course of time a special relationship developed between the Portuguese and British empires.

A series of commercial treaties between England and Portu-

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gal in the middle of the seventeenth century granted commercial advantages to England in return for British political and military support. However, these early treaties merely broke the ground for the far-reaching consequences of the Methuen Treaty concluded between Portugal and Great Britain in 1703.[2]

Portugal was not a country amenable to large-scale agriculture, but its terrain was ideally suited to sheep-raising for wool and the cultivation of vineyards. Wool production could have led to the development of an important textile industry and the beginning of an export trade in manufactured cloth. The Methuen Treaty, however, gave free entry for British cloth into Portugal in exchange for preferential entry into England of Portuguese wine. Not only did this crush the development of an infant industry, but it diverted land and labor from basic foodstuff production to viniculture, sinking Portugal further into dependency and debt as an increasing share of the national product was required for the import of foodstuffs. Portugal thus became little more than an appendage of the British economy which could be manipulated economically or politically as the needs of the moment dictated.

The immediate consequences of the Methuen Treaty were no less significant for the British. English textile production rapidly expanded to meet the demand of the protected Portuguese market, thereby reducing manufacturing costs and strengthening the British ability to penetrate other foreign markets. Moreover, Portugal's trade with England ran at a yearly deficit of around one million pounds sterling, and the difference was made up in Brazilian gold. Both the growth of the textile industry and the gold payments played important roles in the new trade arrangements and in the great English economic advance which followed. In sum, then, the Methuen Treaty made the final arrangements in, and gave explicit juridical status to, a qualitative gap that had opened up between Great Britain and Portugal and consolidated Portugal's position as a dependent primary producer.

The class nature of the development of this international division of labor must be emphasized. The rise of a Portuguese capitalist class constituted a threat to the hegemony of the nobility at home and throughout the empire. In order to maintain

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its political authority in Portugal and thereby maintain the predominance of its economic interests within the Portuguese economy, the ruling class consented to subordinate these interests to the international interests of the British bourgeoisie in exchange for its political support. The effect was to preserve the old form of the Portuguese social and economic structure while transforming the content of its relations and the dynamic of its development to conform with an international division of labor under the rule of capital.

Portugal in Africa

Against this background, Portugal's involvement in Africa may be understood. Throughout most of the five centuries of Portuguese imperial activity, Portugal's interest in Africa *per se* was ancillary to its other imperial involvements. Early activity on the Guinea Coast helped finance the breakthrough to the East, and the Angolan slave trade was vital both as a source of revenue and for the labor it supplied to Portugal's Brazilian colony. Yet, once the Indian Ocean trading complex was penetrated, African outposts were neglected, and functioned mainly as supply depots, "labor reserves," and way stations for Indian commerce and Brazilian plantations and mines.

The commercial advantage which Portugal enjoyed in Africa and the East did not result from any great qualitative social, economic, or industrial advancement of the Portuguese over the peoples with whom they traded; many of the African and Asian peoples over whom the Portuguese extended a tenuous dominion enjoyed a level of general cultural and technological development as high as or higher than the Portuguese. However, a fortuitous conjunction of social and political circumstances within and among the countries which could have rivaled Portuguese power (e.g., Ming China was in an isolationist period and preoccupied with internal problems), and the superior cannon which Portuguese ships carried, enabled Portugal to interpose itself in a monopolist position between these peoples and to establish maritime control and lucrative trade advantages over a wide area. Moreover, the Portuguese enjoyed a navigational superiority to the other European powers, the result of long contacts with the advanced sea-going traditions of the Moors, aug-

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mented by Portuguese innovations in the use of sails to navigate close to the wind. This, together with the overland orientation and resultant lack of sea traditions in Bantu Africa, eliminated any serious competition from those quarters.

Portuguese policy toward African peoples was, in accordance with its slim advantage over them, generally one of alliance with local ruling groups in order to gain influence and trading advantages, rather than one of conquest and colonization. Looting was nevertheless common and rewarding. The prevailing pattern, however, was for the Portuguese to lend military or other forms of aid to African rulers in their conflicts with neighboring rulers or their own subjects, in return for trade concessions and permisssion to erect a fort and/or trading post on the ally's territory. The basic Portuguese-African relationship between ruling groups tended to operate to their mutual advantage. This relationship proved most fruitful to both sides where the Portuguese encountered strong African rulers. Under such conditions the African ruler enjoyed a monopoly of the supply of trade goods to the Portuguese and a monopoly of access by his people to trade with the Europeans, while the Portuguese royal agents enjoyed a similar monopoly on the other side.

Where no African leader appeared with sufficient strength to enforce monopoly, the Portuguese attempted to find some willing member of the local elite to assume such a position with the backing of superior Portuguese weapons. Where they failed in this effort, there arose competition on the African side as well as among the Europeans, and it became difficult for officials to maintain control over the supply of goods, the levels of prices, and the payment of taxes and duties. When the Portuguese empire was assaulted by the Dutch and English in the seventeenth century, the commercial monopolies upon which it was based quickly disappeared in the face of competition.

Although early Portuguese-African contact was founded more or less on terms of equality between princes, the structure of that contact had invidious consequences for the Africans. As has been indicated above in the case of Anglo-Portuguese relations, the exchange of political for commercial advantages *is not an exchange of equivalents.* The commercial, and therefore the political, position of African rulers came to depend on Portu-

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guese politico-military support, giving the Portuguese the possibility of manipulating African rulers to their own advantage. This tendency was reinforced as trade with the Portuguese diverted African economic efforts from primary production to the production of the luxury items the Portuguese demanded, and gradually to intergroup warfare for the capture of the slaves which the Portuguese increasingly came to demand in trade.

Thus, the effect of Portuguese-African contact was to ossify African social structures under ruling groups whose political power was not firmly rooted in the prevailing productive systems. The evolution, properly so-called, of the African societies which came under Portuguese influence gradually ceased to operate primarily on the basis of their own internal dynamics as they became subordinated to forces deriving from the development of the capitalist system and a Portuguese economy integrated into it in a subordinate position.

The slave trade was the only profitable imperial enterprise of the Portuguese in Africa from its inception until the twentieth century. All other outposts (e.g., East Africa) were run at an annual deficit throughout this period. After the Brazilian colony declared its independence in 1822 and the transatlantic slave trade was subsequently suppressed, the Portuguese ruling class, finding no easily exploitable deposits of precious metals, tended to lose interest in what remained of its empire.

Meanwhile, the character of European activity overseas had been transformed over the course of the nineteenth century from the direct plunder of Asian, African, and American wealth and labor to the colonization of these areas and their integration into a world economic system. The system of colonialism which the European powers constructed was based on the export to the colonies of cheap industrial products from the metropolis and the import from the colonies of raw materials. To work to the metropolitan advantage, colonialism required an infrastructure in the colonies suitable for exploiting its resources, together with a military and administrative presence which would guarantee a large, cheap, and preferably "free" labor force working for wages, with which the workers would purchase metropolitan manufactured goods.

After the loss of Brazil, Portugal was unable to establish

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such a positive complementarity of metropolis and colony with its remaining empire. In the first instance this was due to the fact that Portugal's ruling class, owing to its alliance with Britain, continued to prevent Portugal from developing an industrial economy. And in the absence of metropolitan manufacture, both the rationale and the means for building a modern colonial empire were missing; without large-scale industrial production Portugal had no manufactures for export to colonial markets; without the large sums of capital which had resulted from industrialization in other European countries the necessary infrastructure (transportation and communications networks, mining facilities, etc.) could not be built; and, without the interest of the ruling class, the state power required to protect and organize exploitation in colonial territories was not present. Instead, the only use Portugal could make of its colonies was to provide an outlet for its expanding population and rebellious political elements, the fulfillment of the petty ambitions of small traders, and the crudest sort of exploitation of natural and human resources. Some trade did continue in the colonies, but most of it, until the goods reached the Portuguese port towns, remained in the hands of the Africans.

However, toward the end of the nineteenth century the character of European activity overseas was once again transformed. Most important for Portugal was that British surplus capital began seeking new investment outlets, first in Portugal, then in Africa, as well as new markets and sources of raw materials. At the same time, British economic supremacy was being challenged by a vigorous German capitalism seeking to expand its own markets and small colonial holdings. In this situation, the Portuguese-claimed territories of Angola and Mozambique, occupying positions between English and German territories, assumed an important strategic significance. With England and Germany watching for opportunities to annex Portugal's African territories, the Portuguese ruling class was faced with the choice of revising its colonial policies and moving to install an effective presence there or very likely losing the African colonies which were its only guarantee of continued British support of its increasingly precarious political and economic position at home.

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During the early stages of the "scramble for Africa," Portugal succeeded in manipulating the imperialist rivalry among the great powers to its own advantage. But when Anglo-German relations improved at the turn of the century, the old dependence of Portugal on Britain was firmly re-established, British financial control of the Portuguese economy was consolidated, and Portugal's African empire was brought virtually completely under British control. Little has changed in Portugal's international economic position since then, save the terms of trade and the nationality of the dominant capital. The weakening of Great Britain during the world wars and the subsequent rise of the United States to imperialist supremacy initiated a new phase in Portugal's economic underdevelopment as the finance capital of West Germany, France, and the United States began to share control of the Portuguese economy with England; and Japanese and South African interests began to penetrate Portuguese Africa.

Portuguese Colonialism in Africa

When, during the "scramble for Africa," the criterion of "effective occupation" emerged as the sole justification recognized by the European powers for each other's territorial claims in Africa, Portugal's presence in the territories it claimed was clearly insufficient to meet this requirement: Portuguese control was limited to a few coastal towns and several fortified outposts in the interiors. Thus, the Portuguese ruling class was faced with the immediate task of subduing the African populations of Angola, Mozambique, and Guinea-Bissau in order to maintain British support. Accordingly, wars of occupation were initiated in those areas in the 1880s, finally overcoming strong African opposition by about the end of the First World War.

After the receding of Anglo-German conflict in the 1890s, this effort took on the added aim of making the colonies safe for English operations there. The primary interest of the British was to use Angola and Mozambique to support their main interests in their own colonies by supplying cheap labor to South Africa and access to the sea for landlocked areas via railways built by British capital and forced African labor provided by the Portuguese government.

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The colonial system implanted by the Portuguese in their African colonies was complex. An examination follows of one key aspect of that system—the super-exploitation of African labor—as it has existed in Mozambique.[3] This discussion is broadly applicable to the situations in the other Portuguese colonies. It is not intended as a complete description of the colonial situation, but is rather intended to demonstrate how both the fact of Portugal's subordinate position in the capitalist economic system and the specific interests of Britain (and, more recently, the Union of South Africa in association with the NATO countries and Japan) in Africa have determined the form of Portuguese colonialism.

Forced Labor

In 1899 the first obligatory labor decree was issued in Lisbon for the Portuguese African territories. All able-bodied adult male Africans were required to work at tasks defined as productive by the colonial administration—and the official definition of "productive" was so narrow as to classify virtually every adult male as "idle"—or be forced into government contracts for service either on "public" works such as road building or for private companies (most of which were controlled by British capital). The basis of this system was the maintenance, more or less intact, of the African consumption-oriented agricultural productive systems, which would be maintained by the women, old men, and children to absorb the costs of the reproduction of the labor force while the adult men were siphoned off for migratory wage labor in the European enclave economies of Southern Africa. In its mature form at the outbreak of the revolutionary war for independence in the early 1960s, this policy encompassed six categories of African labor, all of them either direct forms of forced labor or forms conditioned by its prevalence: (1) Correctional labor, (2) Obligatory labor, (3) Contract labor, (4) Voluntary labor, (5) Forced cultivation, and (6) Emigrant (or Export) labor.

The key elements in this system are forced ("contract") labor, labor migration, and the artificial maintenance of a large subsistence agriculture sector. The total number of workers employed in the key areas of contract labor, forced cotton cultiva-

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tion, and emigrant labor in 1954 was 1,019,000 of Mozambique's total male labor force of 2,094,000.[4]

However, the *structural* importance of forced labor on this scale far exceeds its statistical significance, for it has a deforming effect on all other types of labor. The *threat* of forcible displacement under intolerable conditions assures acceptance of the same or worse inhuman wages and working conditions which either do not involve the worker's separation from his family or do not degrade him in the eyes of family and friends or himself. Thus, Africans tend to "prefer" to contract directly with a company at lower wages, or to work under brutal conditions in the mines of South Africa. But "voluntary" laborers and recruits for the mines are *not,* as apologists claim, responding to the operation of normal economic incentives; the "choice" of one of these alternatives is a *reaction to the threat of forced labor.* Hence, the success of the "voluntary" and migratory labor systems, and thus of the entire Portuguese colonial enterprise, historically depends in an absolute way on the prior and continuing success of the forced labor system, most recently in the dual form of "contract" labor and cotton conscription. The violence of such a system is all-pervasive; whether directly or indirectly, actually or latently, it seeps into every aspect of social relations and deforms them. "In the end, violence tends to coincide with the very notion of social relations themselves."[5]

All the colonial powers in Africa had to confront an initial problem when they moved to valorize the resources of their colonies: it was necessary to mobilize enough labor power to establish an efficient apparatus of exploitation. Since they usually found in the colonies an agricultural economy in which production was geared to local consumption, they were invariably faced with the problem of siphoning off labor for a new sector based on production for exchange. The lure of wages and new items of consumption was not sufficient incentive around which a "free" labor market evolved. The Africans, operating within their own viable, indigenous economies, had no pressing need to sell their labor power. Moreover, the colonists' needs for primary accumulation could not be met by allowing free competition for labor in colonial primary production. Systems of forced labor and labor migration were evolved to help solve this problem.[6]

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Forced labor and migration were thus employed in the early stages of colonial development to convert the African into a wage laborer whose subsistence was already taken care of in the indigenous economy before he entered the labor market, and whose wages could thus be paid below the *historically determined value* of his labor power—a wage that would cover the costs of reproduction and satisfy the historically-determined needs of a metropolitan worker. The initial results of this system were large quantities of cheap raw materials to fuel the industrial development and capital accumulation of Europe.

Later—once African household industries had been undermined and metropolitan needs had shifted—economic incentives, in the form of raised wages and limited "freedom" of labor came to replace direct coercion in order to develop new markets in Africa for metropolitan industrial products. Still later, the needs of the industrial countries to find outlets for surplus capital led to large-scale exports of capital to the colonies, along with the fostering of an African client bourgeoisie that could be relied upon to act as custodian of European interests.

However, Portugal, due to its economic colonization by Great Britain, never has been able to achieve a significant measure of industrialization, and has therefore never been able to realize the transformation of its imperial enterprise into the type of colonial system which evolved elsewhere in Africa. Without industry, Portugal had no need for large African markets for cheap industrial products, much less outlets for quantities of capital. Instead, its needs remained those of a primary accumulator. Portuguese economic development has therefore never reached a point where the Portuguese ruling class could afford to allow economic incentives to come into play on a large scale. Rather, Portugal has been forced to attempt to maintain and ossify the historical conditions on the basis of which the price of labor power and the colonial wage structure were originally determined. And the only means to this end is through the forcible holding down of wages, which in turn requires the constant and visible threat of violence in order to keep the Africans in the wage labor system.

However, the continued exploitation of forced labor is itself an irrational attempt to compensate for its own prior effects. The threat of forced labor at depressed wages drives thousands

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of Mozambique Africans to emigrate: in addition to the contracted temporary emigrants working in South Africa and Rhodesia, there are large communities of illegal Mozambique emigrants living in the Transvaal, Natal, Rhodesia, Malawi, and Tanzania. The effect is to exacerbate the manpower shortage in Mozambique.

The contradictory nature of Portuguese use of forced labor is further clarified by a comparison of labor migration within Mozambique and from Mozambique to the Transvaal and Rhodesia on the one hand with the migratory labor system in operation in the Union of South Africa on the other. The migrant labor system of South Africa is a system designed for the extraction of surplus value without incurring the social costs of labor. Thus, its optimum functioning is assured only when care is taken to avoid the total destruction of the subsistence sector which must absorb these social costs. The Assisted Voluntary System established in South Africa in 1928 serves this function by providing the African with the possibility of enlisting in the mines for periods short enough to allow him to return to his fields at home to do the ploughing or harvesting. This results in an arrested threshold of acculturation which incorporates the African into the capitalist economy and culture while withholding from him the means of achieving a full integration or receiving a share of its fruits.

In contrast, labor migration in Mozambique, both within the province and to the Transvaal, stands out for its failure to be influenced by the seasonal fluctuations of the agricultural cycle, for the protracted period of the migrant's contract, and for the relative ease with which the supply of migrants can be manipulated in response to fluctuations in demand. Thus the "tribal" ties which are supposed to bind the male African worker to his village and traditional culture are stretched to the breaking point without any compensating degree of integration into the European culture. This fact, together with the indiscriminate mixing of ethnic groups in places of work and the extent and frequency of labor migrations, works to create a dangerously (for the Portuguese) advanced level of political consciousness among the African workers, thereby neutralizing the chief political advantage of labor migration.

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The Portuguese rulers doubtless continue to enjoy economic advantages from the labor migration system. Not only does the subsistence sector absorb the social costs of labor reproduction and help to keep wages at an artificially depressed level, but the government of Mozambique obtains a large share of its revenue from the export of labor: the Witwatersrand Native Labor Association pays the Mozambique government about $5 for each migrant contracted—this source accounted for nearly one fifth of the total government budget for Mozambique in 1961—and, except for a small advance, the worker's wages are paid to the Mozambique government, which hands them over to the worker upon his return home (if he returns), after deducting the head tax and converting it into Portuguese currency. Another important source of colonial revenues comes from the transport traffic to Johannesburg and Rhodesia, which goes through Mozambique as part of the labor export agreements.

Yet the principal advantages of such a system of labor exploitation, both political and economic, are enjoyed not by the Portuguese in Mozambique, but by South Africa, which is provided with the core of its mine labor force and thus with the means of regulating its entire system of migrant mine labor to counteract the effects of the seasonal fluctuations in the supply from its internal sources. In this way the Republic of South Africa is enabled to secure the political advantages of migratory labor for itself.

In the past decade, South Africa has moved to protect and strengthen the ties which bind Mozambique to it as a buffer between black-ruled Africa and its own African population. However, the attendant intensification of the exploitation of the African population of Mozambique has unleashed political forces in that colony which have already impaired Mozambique's ability to supply labor to the Transvaal, and the war for national liberation which broke out in 1964 threatens to interrupt that flow entirely.

Foreign Investment

However, it is more than just Portugal and the white racist regimes of Southern Africa that are threatened by the revolutionary wars for independence in Portugal's colonies. All the

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powers have reacted strongly to the threat presented to their international interests. NATO, the individual NATO countries, and South Africa have aided Portugal generously, both economically and militarily.[7] NATO arms find their way to the war zones despite UN resolutions and NATO stipulations forbidding it. In December 1971, Nixon provided Portugal with over $435 million in credits, loans, and grants. In addition, the imperialist governments have encouraged and facilitated large investments from their countries in both metropolitan Portugal and its colonies.

The purpose of these "alliances in empire" in Portuguese Africa is clear. Angola and Mozambique not only possess very rich oil and mineral resources; they also occupy a key position in the geopolitics of Africa and the southern hemisphere. They represent a buffer between imperialism's African headquarters in South Africa and the black African nations; and their coastlines and ports are indispensable for the defense of the vital Cape Route for Middle Eastern oil as an alternative to the embattled Suez. In this situation the establishment of an infrastructure in Portugal's colonies capable of perpetuating their dependence on the imperialist powers after the collapse of Portuguese control has become one of imperialism's most urgent priorities.

Imperialist efforts since the early 1960s have had four principal aspects: development and exploitation of petroleum and mineral resources in Angola and Mozambique; the establishment of a transportation, communications, and electrical energy infrastructure designed to meet imperialist needs and oriented toward South Africa; the development of capital-intensive processing and assembly industries; and the installation of large numbers of European settlers committed to the racist regime.

Gulf Oil has been in the forefront of these developments, with over $150 million already invested in its Cabinda (Angola) oil operation alone (it is also active in Mozambique), and plans to double this investment soon.[8] Mobil Oil, Exxon, Texaco, Sunray, Clarke, Hunt International, and American Oil, as well as others, including British and German firms, have been active in one or more of the Portuguese territories, often in joint ventures. By 1972, Angola was already exporting over six million

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tons of oil annually, mostly to Canada, the U.S., and Japan. Bethlehem Steel, Krupp of Germany, and Sumitomo of Japan, among others, have all been active in developing mineral resources, principally iron ore, in the Portuguese territories. Germany and Japan, lacking their own sources, have so far also been Portugal's biggest customers for iron ore, between them buying nearly 60 percent of Angola's production in 1970.

Production of oil and minerals has not yet reached a dominant position in the colonial economies, although it has become significant in Angola. However, it is growing fast. While the percentage of coffee in Angola's total exports was 52.5 percent in 1967, by 1971 it had declined to 34.2 percent. Coffee is still Angola's biggest export, with oil, diamonds, and iron ore now occupying the next three places. Between 1966 and 1971, Angola's production of oil increased more than eightfold to 2.3 billion escudos (1,000 escudos=$35). Angola's production of iron ore increased from 638,000 tons in 1963 to 6.16 million tons in 1971.

The lack of sufficient infrastructural facilities has so far sharply limited the exploitation of the resources of Angola and especially Mozambique. Thus, the second major element of the colonial development schemes is the construction of such an infrastructure. In 1971 Mozambique had only 2,330 kilometers of paved roads, most of it laid in the 1960s; a plan has been adopted which is to tar 10,000 km of roads by the end of the decade. The mammoth Cabora Bassa dam and Zambezi Valley hydro-electric project, scheduled for completion in 1975, is to provide the power necessary to exploit Mozambique's mineral deposits, electrify Mozambique's railways, and operate improved communications.[9]*

The electricity generated by Cabora Bassa and ten smaller dams on the Zambezi and its tributaries—eventually they are to produce a total of 50 billion kwh annually—will mostly go to South Africa, and thus serve to bind Mozambique even more firmly to its southern neighbor. What power is not absorbed by South Africa and the mining projects is allotted in Portugal's

* Sumitomo has found a rich iron ore deposit that it will not be able to develop until it gets electricity from Cabora Bassa.

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Third National Development Plan (1968-1973) to the third element of Portugal's development scheme: light industry and plants for processing food, some of the raw materials for Portugal's textile industry, and oil refining.

The fourth element of the plan is to settle a million Europeans in Mozambique—mostly Portuguese peasants, but settlers are being sought in Southern Italy and Greece as well—in order to gain their support for the racist regime. Although some of the immigrants are to be used as semi-skilled labor, most of them are to be farmers in the Zambezi Valley, where nearly 7 million acres of land are to be brought into cultivation and pasturage around the huge lake which is supposed to form behind the Cabora Bassa dam. This project, connecting with Rhodesia and a similar project in Southern Angola and Namibia (Southwest Africa), if successful, will tend to create a strong northern perimeter for the defense of the white-ruled south.

Conclusions

The subordination of Portuguese interests in Africa to British, and later to South African and Rhodesian interests, meant that the Mozambique labor force was channeled into the mines of the Rand and Rhodesia, and in Mozambique was deployed for the production of primary products useful primarily to Britain and others rather than to Portugal. And the recent penetration of North Atlantic and Japanese capital into the colonial economies has further increased the parasitic character of Portuguese colonialism: the Portuguese rulers are increasingly reduced to collecting taxes and rents from the economic activities of others, and their actual control over events evaporates into their new and more limited role as little more than the local police force.

The deployment of the labor force and the patterns of foreign investment are but two aspects, albeit critical ones, of the colonial economies. A complete understanding of how foreign interests have shaped and continue to shape Portuguese colonialism would necessarily require closer inspection of foreign investment, both in metropolitan Portugal and in its colonies, the role of conscripted cotton production for the Portuguese

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textile industry, and more. However, the general pattern should now be clear: Portugal's position in the capitalist system is not simply that of a backward member that is not yet as rich as some others; nor does Portuguese colonialism represent any mere atavism which awaits further development in order to take on the shape of a more modern (neocolonialist) imperialist domination. *The neocolonialist alternative is not open to Portugal.* It lacks the kind of industrial economy and colonial infrastructure which are necessary to maintain economic domination once political control is relinquished. Nor has Portugal been able to afford to nurture a significant dependent bourgeoisie which could be relied upon to safeguard its economic interests in Africa.

The recent spurt of economic development in Mozambique and Angola thus is not the result of the autonomous efforts of a vigorous Portuguese bourgeoisie to develop and defend its own economic interests. Rather, the feverish activity of foreign capital in Mozambique and Angola in the past decade reflects a recognition by the imperialist powers of the impossibility of a Portuguese neocolonialism. It represents a desperate attempt by international capital to establish the infrastructure required to ensure the continued economic dependence of Mozambique and Angola and to provide the conditions for a more direct neocolonialist exploitation (and continued access to strategically important mineral resources) before the intermediary Portuguese empire finally and completely collapses and passes out of existence. Success in this endeavor depends on international capital's ability to smash or corrupt the strong national liberation movements which have set as their goal the separation of Mozambique and Angola not only from Portuguese domination, but from the entire capitalist system.

NOTES

1. Ben Magubane, Jackie Driscoll, and Jim Faris have helped me enormously at every stage in the formulation of the analysis presented in this paper, an earlier version of which was read at the symposium "Marx II: Analyses of Imperialism" of the institute "Anthropology and Anti-Imperialism" at the annual meetings of the American Anthropological Association in Toronto, December 1972. The following pub-

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lished sources, from which I have drawn much material, are recommended to anyone interested in learning more about Portuguese colonialism: Perry Anderson, "Portugal and the End of Ultra-Colonialism," *New Left Review* (May-June 1962; July-August 1962; November-December 1962); James Duffy, *Portugal in Africa* (Baltimore: Penguin Books, 1963); Eduardo de Sousa Ferreira, *Portuguese Colonialism from South Africa to Europe* (Freiburg, West Germany: Aktion Dritte Welt, 1972); Marvin Harris, *Portugal's African "Wards"* (New York: American Committee on Africa, 1958); Eduardo Mondlane, *The Struggle for Mozambique* (Baltimore: Penguin Books, 1969).

2. For a detailed analysis of these treaties and the entire history of Anglo-Portuguese economic relations, see Sandro Sideri, *Trade and Power: Informal Colonialism in Anglo-Portuguese Relations* (Rotterdam: Rotterdam University Press, 1970). For a summary of these treaties and an analysis of the bourgeois treatment of this relationship, see Harry Magdoff, "Economic Myths and Imperialism," MONTHLY REVIEW (December 1971).
3. For more complete treatments of the colonial situation in Mozambique, see the sources listed in Note 1 above. For the situation in Angola, see also Americo Boavida, *Angola: Five Centuries of Portuguese Exploitation* (Richmond, British Columbia: LSM Information Center, 1972), and Basil Davidson, *In the Eye of the Storm: Angola's People* (Garden City, N.Y.: Doubleday & Co., Inc., 1972).
4. Perry Anderson (July-August 1962), *op. cit.* These categories are strictly applicable only to the period preceding the Angolan insurrection in 1961, following which a flurry of cosmetic legislation changed the laws and obscured a reality which remained essentially unchanged. Thus, an African can no longer be sentenced to forced labor for failing to pay his head tax, yet this offense is now punishable by a fine which, if not paid, must be made up for through labor on "public works." The figures given in this section are necessarily old, for the Portuguese regime has become much more wary of damaging statistics. Moreover, many of the categories of interest here are no longer officially recognized as such.
5. Anderson, *ibid.* (July-August 1962), p. 97.
6. For an analysis of systems of labor migration in colonial Africa, see Ben Magubane and Jay O'Brien, "The Political Economy of Migrant Labor: A Critique of Conventional Wisdom," *Critical Anthropology* (Spring 1972). For an analysis of the system in Mozambique, see Marvin Harris, "Labour Emigration Among the Mozambique Thonga: Cultural and Political Factors," in *Social Change: The Colonial Situation,* edited by Immanuel Wallerstein (New York: Wiley, 1966).
7. For details, see S. Bosgra and C. Van Krimpen, *Portugal and NATO* (Amsterdam: Angola Comite, 1972).
8. A detailed study of Gulf Oil's international operations is available: Committee of Returned Volunteers, *Gulf Oil: A Study in Exploitation* (New York: CRV, 1971).
9. For a valuable case study, see pamphlet put out by the World Council of Churches, *Cabora Bassa and the Struggle for Southern Africa* (WCC, 1971).

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SOME PROBLEMS IN THE THEORY OF CAPITAL ACCUMULATION

BY PAUL M. SWEEZY

A recent article by Mario Cogoy contains an interpretation of Marx's theory of capital accumulation which appears to be shared, with variations, by a growing number of Marxist economists.[1] This is a complicated and difficult problem which I have no intention of trying to treat exhaustively in a brief essay. But there are a number of basic points of view expressed or implied in this literature which seem to me erroneous, potentially seriously misleading, and hence in need of explicit criticism.

First, however, since the work of the late Paul Baran and myself (especially but not exclusively our joint book *Monopoly Capital*) is a favorite target of the authors referred to, I must clear up a misunderstanding which seems to be common to all of them. This is that Baran and Sweezy, like Joan Robinson and other left Keynesians, reject Marx's theory of value. I can

This essay was written for, and has recently been published in, *Sozialismus, Geschichte, und Wissenschaft: Festschrift für Eduard März* (Vienna: Europaverlag, 1973).

1. Mario Cogoy, "Les Théories Néo-Marxistes, Marx et l'Accumulation du Capital," *Les Temps Modernes* (September-October 1972), pp. 396-427. Another recent example is David S. Yaffe, "The Marxian Theory of Crisis, Capital and the State," *Bulletin of the Conference of Socialist Economists* (Winter 1972), pp. 5-58. Both Cogoy and Yaffe pay tribute to the work of Paul Mattick, who perhaps deserves to be called the dean of this school of thought.

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assure them that this is simply not so. At no time in our long period of close association and collaboration did it ever occur to Baran and me to call in question, let alone reject, the labor theory of value as elaborated by Marx and as we understood it. In this connection let me quote two points emphasized by Cogoy (p. 398) as being opposed to Neo-Marxism, a category in which he includes Baran and Sweezy:

> (a) The theory of value is an instrument for the analysis of accumulation and total social reproduction. It is not a theory of relative prices; the academic critiques directed at the theory of value (and in particular that which considers that the monopolistic structure of the market has abolished the conditions for the validity of the theory of value) rest on a fundamental incomprehension of Marxist theory: they attribute the central role to empirical exchange relations (prices), while for Marx it is the social relations of production (wage labor-capital) which are the true objects of the theory of value.
>
> (b) Not only is the theory of value not modified by state intervention into the economy and by the development of waste, but rather the function of the state and the growth of the unproductive sector flow from the dialectic of value and of the laws of capital accumulation.

Cogoy will perhaps be surprised to learn that I entirely agree with both these points, and I commend him for stating them so clearly and concisely. At the same time, I would hope that he will agree with me that the theory of value in its most abstract expression, i.e., as elaborated in Volume 1 of *Capital,* is not the final form of the "instrument" he is talking about. There are two issues involved here: (1) the dropping of the assumption that all industries have the same organic composition of capital; and (2) the introduction of monopolistic market structures. Let us consider them in turn.

(1) In reality of course the organic composition of capital varies widely from one industry to another. Once this is taken into account, as Marx showed in Part II of Volume 3, we move from values to prices of production. Bourgeois economists from Böhm-Bawerk on have seen in this a contradiction and an abandonment of the Marxian value theory. This view is absolutely incorrect. Prices of production are not what Cogoy calls "empirical exchange relations" but *modified values*: without the theory of value there could be no theory of prices of produc-

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tion. The question then arises as to whether the passage from values (Volume 1) to prices of production (Volume 3) brings with it significant changes in the accumulation process. And the answer is definitely that it does not.[2] It follows that in discussing capitalism's overall laws of motion one is fully justified in ignoring prices of production and operating directly with the theory of value and accumulation as developed in Volume 1.

(2) Matters are different when it comes to taking account of monopoly. Marx himself did not take this step in any systematic way, in spite of the fact that in his dynamic theory (in this respect totally different from orthodox neoclassical theory) competition of capitals is virtually identical with the concentration and centralization of capitals. The period of monopoly capitalism was just beginning at the time of his death, and it is not surprising that he produced no theory of the transformation of values (or prices of production) into monopoly prices. However, there is one very striking passage near the end of Volume 3 which permits us to see that he was fully aware of the problem and to surmise some of the ways he would have handled it. In the chapter "The Semblance of Competition," he wrote that

> if the equalization of the surplus value into average profit meets with obstacles in the various spheres of production in the shape of artificial or natural monopolies, particularly of monopoly in land, so that a monopoly price would be possible, which would rise above the price of production and above the values of the commodities affected by such a monopoly, still the limits imposed by the value of commodities would not be abolished thereby. The monopoly price of certain commodities would merely transfer a portion

2. For a demonstration of this, see my *Theory of Capitalist Development* (first published in 1942), pp. 125-130. Only if there were a systematic tendency for the organic composition of capital to develop differently in different sectors of the economy (means of production, wage goods, luxury goods) would it be possible to argue that the accumulation process in an economy of prices of production would differ significantly from that in an economy of values. I know of no suggestion, let alone proof, that there is any such systematic tendency for the organic composition to differ in different sectors. Unfortunately, some Marxist economists have never understood what is involved in the transformation of values into prices of production and have continued to treat it as a real process with important consequences for the functioning of the system. See, e.g., James F. Becker, "On the Monopoly Theory of Monopoly Capitalism," *Science & Society* (Winter 1971); and Michael A. Lebowitz, "The Increasing Cost of Circulation and the Marxian Competitive Model," *Science & Society* (Fall 1972).

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of the profit of the other producers of commodities to the commodities with a monopoly price. A local disturbance in the distribution of the surplus value among the various spheres of production would take place indirectly, but they would leave the boundaries of the surplus value itself unaltered. If a commodity with a monopoly price should enter into the consumption of the laborer, it would increase the wages and thereby reduce the surplus value if the laborer would receive the value of his labor power the same as before. But such a commodity might also depress wages below the value of labor power, of course only to the extent that wages would be higher than the physical minimum of subsistence. In this case the monopoly price would be paid by a deduction from the real wages (that is, from the quantity of use values received by the laborer for the same quantity of labor) and from the profit of other capitalists.[3]

Here Marx treats monopoly price not as a mere "empirical exchange relation" but as a modification of value and/or price of production which in no sense transcends "the limits imposed by the value of commodities." But this does *not* mean what many of today's younger Marxist economists seem to assume, that the presence or absence of monopoly makes no difference to the accumulation process. I believe it can be shown that in this crucially important respect, the modification of values brought about by the introduction of monopoly is quite different from the modification of values brought about by the introduction of unequal organic compositions of capital.

Marx does not analyze the effects of monopoly on the accumulation process, but the above passage provides valuable guides. Monopoly does not change the total *amount* of value produced—except indirectly to the extent that it affects the total volume of employment—but it does bring about a *redistribution* of value. Marx indicates that this can take two forms: first, a transfer of surplus value from competitive to monopolistic capitals; and second, a transfer of value from wages to surplus value. If we are talking about an isolated instance of monopoly, as Marx seems to be doing in the quoted passage, these effects would obviously be of negligible importance in relation to the economy as a whole. In this case it is not only justified but necessary to abstract from monopoly in the analysis of the accumulation process, which of course is what Marx does. But

3. *Capital*, Kerr ed., Vol. 3, pp. 1003-1004.

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as soon as monopoly seizes hold of quantitatively significant sectors of the economy, this is obviously no longer so. Then, following Marx's line of reasoning, we would have to say that the total of surplus value increases relative to the total of wages (this is also equivalent to an overall rise in the rate of surplus value), and that more of this larger total of surplus value is concentrated in fewer hands. Both of these changes would obviously tend to raise the rate of accumulation.

If we leave the matter there, however, we would be guilty of treating the problem in a static, and hence completely un-Marxian, way. We know that a fundamental aspect of the accumulation process is the concentration and centralization of capital which, at a certain stage, brings about the transformation of competitive capitalism into monopoly capitalism. But concentration and centralization do not cease at this point: both theory and historical experience teach that they form an integral and inseparable part of the whole accumulation process from beginning to end. What we have to deal with, therefore, is not simply an economy which contains *elements* of monopoly but an economy which is becoming *increasingly more monopolized*. And this creates powerful tendencies, which are not present in competitive capitalism, for the rates of surplus value and accumulation to rise (the latter not only because of the rising rate of surplus value but also because of the concentration of surplus value in larger and larger units).[4] These tendencies of course operate along with other tendencies of a social and technological character, and there is no *a priori* way to say which one or which combination will predominate. But I for one have no

4. It might be objected that monopoly prices cannot raise the rate of surplus value except through depressing wages below the value of labor power, and that this would be an essentially unstable and temporary effect. This objection, however, fails to view monopolization as a process which must be considered historically and as an integral part of the accumulation process as a whole. While at any particular time the value of labor power can be treated as a given, over a period of time it tends to rise. (There are several reasons for this, the most important of which are increasing costs of production of labor power and the workers' struggle to improve their standard of living.) In this context growing monopolization must be seen not as depressing the value of labor power but as impeding the rise in the value of labor power. To this extent it favors capital against labor by raising the rate of surplus value above what it otherwise would have been.

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hesitation in saying that to refuse to take account of these "monopolistic" tendencies and the forces which generate them can only have the effect of paralyzing Marxian theory at a time when what is most needed is further to strengthen and develop it to cope with situations and problems which Marx did not and could not analyze a hundred years ago.

Let me now turn to another aspect of the literature typified by the works of Cogoy and Yaffe cited above, i.e., a tendency toward what I consider to be the fetishization of the falling tendency of the rate of profit. Cogoy, for example, speaks approvingly (p. 398) of "a theory of accumulation which rests on (*s'appuie sur*) the tendential fall of the rate of profit," a formulation which obviously transforms a deduction from the theory of accumulation into its foundation. And while the other authors in question may not be quite so specific, they nevertheless all treat the falling tendency of the rate of profit as the pivot around which the whole Marxian theory of accumulation and crises revolves. This subject deserves much fuller treatment than can be accorded to it in a brief essay: I will try only to indicate some of the main points which need elaboration.

Basically there are two issues here. The first has to do with the logic and interpretation of the theory of the falling tendency of the rate of profit as such. The second concerns its role in the overall theory of accumulation.

If we denote the rate of profit (the ratio of surplus value to total capital) by p, the rate of surplus value (the ratio of surplus value to variable capital) by s', and the organic composition of capital (the ratio of constant to variable capital) by o, then we have

$$p = \frac{s}{c + v}, \quad s' = \frac{s}{v}, \text{ and } \quad o = \frac{c}{v}.$$

Dividing the numerator and denominator in the expression for the rate of profit by v, we get

$$p = \frac{\frac{s}{v}}{\frac{c + v}{v}} = \frac{\frac{s}{v}}{\frac{c}{v} + \frac{v}{v}} = \frac{\frac{s}{v}}{\frac{c}{v} + 1} = \frac{s'}{o + 1}$$

from which it follows that the rate of profit varies directly with the rate of surplus value and inversely with the organic composition of capital.

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The theory of the falling tendency of the rate of profit is given formal expression by Marx in Part III of Volume 3 of *Capital,* but the essential elements are worked out much more fully and satisfactorily in Part IV ("Production of Relative Surplus Value") and Part VII ("The Accumulation of Capital") of Volume 1. The kernel of the argument is that capitalists in pursuing their unchanging goal of increasing the amount and rate of surplus value progressively mechanize the processes of production. The consequence is twofold: the amount of machinery per worker increases, and each worker operating machines processes more raw and auxiliary materials than a worker using more primitive methods. Both effects contribute to increasing the amount of constant capital relative to the amount of variable capital, i.e., to raising the organic composition of capital. At the same time, of course, the productivity of the worker is increased, which means that he now reproduces the value of his labor power in less time and therefore has more time left over to work for the capitalist, which is only another way of saying that the rate of surplus value rises. The law of the falling tendency of the rate of profit asserts that in the long run there is a strong and persistent tendency for the rise in the organic composition of capital to outweigh the rise in the rate of surplus value in their opposite effects on the rate of profit, hence for the rate of profit to fall.

Why did Marx feel so sure that the organic composition of capital must rise relatively faster than the rate of surplus value? For my part, I have no doubt that the reason is that this is precisely what happened during the period of the industrial revolution beginning in the eighteenth century and still continuing at the time in the 1850s and 1860s when he was working on *Capital.*[5] The transition from *manu*facture to *machino*facture manifestly represented a quantum leap forward in the relative importance in industry of constant capital (or dead labor) compared to variable capital (or living labor). The rate of surplus value of course also increased sharply—this indeed is what the

5. On Marx's relation to the industrial revolution, see "Karl Marx and the Industrial Revolution," in P. M. Sweezy, *Modern Capitalism and Other Essays* (Monthly Review Press, 1972), pp. 127-146.

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introduction of machinery was all about—but it was obvious to Marx, who was an extremely close student of all aspects of capitalist reality, that the relative increase in the organic composition had been the dominant trend in the preceding century. It was only natural, therefore, for him to assume that this would continue to be the case in the future.

What has to be emphasized, in contrast to the views of the present-day Marxist economists with whom we are here concerned, is that while it was perfectly natural for Marx to make this assumption—indeed, given what he knew, what other assumption could he possibly have made?—it was not something which was logically dictated by his theory of accumulation. From the point of view of the capitalist there is obviously no inherent virtue in increasing the organic composition of capital: he does it only because that is the way to increase the rate of surplus value. But if he can see ways to increase the rate of surplus value while at the same time economizing on constant capital, he will of course be delighted to avail himself of them. And whether or not this is possible depends not at all on the "concept of capital" (as Yaffe seems to believe[6]) but on the direction and potentialities of technological change. And in this respect the situation of an already *mechanized* economy is significantly different from that of the *mechanizing* economy of Marx's day. The problem for the capitalist is no longer so much that of sub-

6. Cf. the following statement: "What we have tried to show from an examination of the concept of capital is the necessity of . . . replacing on an increasing scale living labor by objectified (dead) labor. It follows from this that both the *technical composition of capital* and the *organic composition of capital* must increase in the process of capitalist production." Yaffe, *op. cit.*, p. 19. There is not the slightest justification for this view. Nothing follows from the concept of capital except that capital is self-expanding value. This is the beginning of any serious analysis of capitalism, but no deductions or conclusions can be drawn from it without the introduction of further assumptions which are either dreamed up out of nowhere (in the manner of present-day neoclassical economics) or are historically and empirically based, as in the case of Marxism. Yaffe and others who pride themselves on their Marxian orthodoxy are simply accepting and attributing universal validity to assumptions derived from nineteenth-century reality. That this is the way to stultify rather than develop Marxism as a social science seems to have escaped them altogether.

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stituting machines for hand labor but rather of substituting more productive machines and processes for less productive machines and processes all along the line.[7] And there is no *a priori* reason whatever for supposing that this must involve an increase (or a decrease either for that matter) in the organic composition of capital.

The only way this question can be decided is through the empirical study of capitalist practice, much as this view may offend those like Yaffe who wish to deduce everything from "pure" theory. And in this respect there are available by now numerous studies which demonstrate beyond a reasonable doubt that while the organic composition of capital rose in accordance with Marx's assumption through the nineteenth and into the twentieth century, for the last half century the tendency has been in the other direction. Most of these studies have been carried out by bourgeois researchers using non-Marxian concepts and categories, with a consequent problem of translating their findings into the language of Marxism. But at least one, that of Joseph Gilman, is the work of a Marxist economist, and its findings are unequivocal: the organic composition of capital in the United States rose up to 1919, leveled off in the 1920s, and thereafter declined (except for the early 1930s when the trend was temporarily obliterated by the unprecedented severity

7. Marx was of course aware of this and if he had lived to complete Volume 3 it is quite conceivable that he would have incorporated it into his analysis of the tendency of the rate of profit. See, for example, the following passage from Volume 1 (which, it must be remembered, was completed after the texts which make up Volume 3): "A part of the functioning constant capital consists of instruments of labor such as machinery, etc., which are not consumed, and therefore not reproduced or replaced by new ones of the same kind until after long periods of time.... If the productiveness of labor has, during the using up of these instruments of labor, increased (and it develops continually with the uninterrupted advance of science and technology), cheaper machines, tools, apparatus, etc., replace the old. The old capital is reproduced in a more productive form. . . . Like the increased exploitation of natural wealth by the mere increase in the tension of labor power, science and technology give capital a power of expansion independent of the given magnitude of the capital actually functioning. They react at the same time on that part of the original capital which has entered upon its stage of renewal. This, in passing into its new shape, incorporates gratis the social advance made while its old shape was being used up." (Volume 1, pp. 663-664.)

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of the Great Depression).[8] Gilman's statistical procedures have been justifiably criticized, but so far as I am aware no one has suggested that his basic findings would have been different had all the criticisms been fully met.

It is no part of my intention in these brief notes to suggest that from now on the organic composition of capital in the advanced capitalist countries can only fall, still less to undertake a comprehensive critique of Marx's law of the falling tendency of the rate of profit. But I do want to contend, emphatically, that underlying the entire argument of Cogoy, Yaffe, and others who think like them is an absurdly untenable notion, i.e., that the capital accumulation process necessarily implies a runaway organic composition of capital, increasing without assignable limit and much more rapidly than the rate of surplus value.[9] Whatever else may be said about Gilman's statistics, they are surely accurate enough in indicating orders of magnitude to demolish this notion as totally unfounded. They show that in the United States during the three decades 1923-1952 the organic composition (c/v) fell from 4.2 to 3.6 (by 14 percent), while the rate of surplus value (s/v) rose from 121 to 132 (by 9 percent). Not only are these results contrary to the expectations of the falling tendency law; even more important from our present point of view, these ratios move within quite narrow limits and so cannot possibly sustain the grand generalizations which our authors wish to rest upon them.

In this connection—and here we come to the second point noted on p. 43 above for subsequent analysis—it is necessary to understand the argument which is being deduced from the theory of the falling tendency of the rate of profit in this recent literature. A comparison with the classics and Marx may be helpful.

The classical theory of the falling rate of profit rested on two supposed natural laws, the law of diminishing returns and the Malthusian population law. With wages relatively fixed at

8. Joseph M. Gilman, *The Falling Rate of Profit* (New York, 1958). See especially the chart on p. 57 and the fold-out statistical table facing p. 61.

9. Yaffe, for example, attempts to support this notion in *op. cit.*, pp. 24-26.

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or near the subsistence minimum and with population expanding under the stimulus of capital accumulation, it is necessary to have recourse to progressively inferior land. The consequence is that more and more of the surplus product (over and above that which goes to the laborers) must be paid out by the capitalists to the landlords. Rent rises and the rate of profit falls, eventually to the point where total profit also begins to decline. At some point in this process the rate of profit falls so low that the incentive to further accumulation is extinguished. This was the nightmare which haunted the classical economists who, no less than Marx, regarded capitalism as quintessentially a process of capital accumulation. To be sure, John Stuart Mill tried to soften the blow by picturing the "stationary state" which would emerge when capital accumulation stopped as a rather more attractive condition than the frantically expanding capitalism of Victorian England, but in taking this tack Mill really only revealed his incipient apostasism from the ranks of loyal bourgeois ideologists. For them there was no doubt that the end of accumulation would be effectively the end of capitalism, and this is why classical political economy earned for itself the name of the "dismal science."

It is clear that Marx was fascinated by this aspect of the thought of the classical political economists. He wrote:

> Those economists who, like Ricardo, regard the capitalist mode of production as absolute, feel nevertheless that this mode of production creates its own limits, and therefore they attribute this limit not to production but to nature (in their theory of rent). But the main point in their horror over the falling rate of profit is the feeling that capitalist production meets in the development of productive forces a barrier which has nothing to do with the production of wealth as such; and this peculiar barrier testifies to the finiteness and the historical, merely transitory character of capitalist production. It demonstrates that this is not an absolute mode for the production of wealth, but rather comes in conflict with the further development of wealth at a certain stage.[10]

And again:

> The rate of profit is the compelling power of capitalist production, and only such things are produced as yield a profit. Hence

10. *Capital,* Vol. 3, p. 283.

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the fright of the English economists over the decline of the rate of profit. That the bare possibility of such a thing should worry Ricardo shows his profound understanding of the conditions of capitalist production. The reproach moved against him, that he has an eye only to the development of the productive forces regardless of "human beings," regardless of the sacrifices in human beings and capital *values* incurred, strikes precisely at his strong point. The development of the productive forces of social labor is the historical task and privilege of capital. It is precisely in this way that it unconsciously creates the material requirements of a higher mode of production. What worries Ricardo is the fact that the rate of profit, the stimulating principle of capitalist production, should be endangered by the development of production itself. And the quantitative proportion means everything here. There is indeed something deeper than this hidden at this point, which he vaguely feels. It is here demonstrated in a purely economic way, that is, from a bourgeois point of view, within the confines of capitalist understanding, from the standpoint of capitalist production itself, that it has a barrier, that it is relative, that it is not an absolute but only a historical mode of production corresponding to a definite and limited epoch in the development of the material conditions of production.[11]

Much of Marx's discussion of the falling tendency of the rate of profit is in a similar vein. He regarded it as a significant and striking contradiction of capitalism that the increase in the productive power of labor should express itself in a manner tending to obstruct the unfettered development of the system. But he did not formulate a specific theory of crises, let alone capitalist breakdown, on this basis; and he was careful to make the point that he was not *predicting* an actual fall in the rate of profit but was dealing only with a *tendency* which, like other tendencies, was opposed by various counteracting causes. For Marx, the falling tendency of the rate of profit was a manifestation of only one of capitalism's many contradictions, and I see no reason to believe that he would have considered the system to be any more viable had he foreseen that the future direction of technological change would mitigate or even eliminate this particular contradiction in the form which it assumed in the period of the transition from manufacture to modern industry.

11. *Ibid.*, pp. 304-305.

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Matters are different in the case of the theorists with whom we are here dealing. For them, the falling tendency of the rate of profit is the central contradiction of the accumulation process. Problems of realization and underconsumption (and/or overproduction) are *derived* from the theory of the falling tendency of the rate of profit and have no independent existence. The following passage from Cogoy's article is representative of the position held by all these authors:

> If the increase in the organic composition is not counterbalanced by an increase [in the rate] of exploitation, the rate of profit will have a tendency to fall. If exploitation does not increase, it is no longer possible to produce a sufficient quantity of surplus value for the continued expansion of capital (*pour la mise en valeur du capital*), and the conditions cease to be fulfilled which alone permit, in a regime of capitalism, production for consumption.
>
> As Mattick demonstrates, Marx was not an underconsumption theorist, because the overproduction of goods and the decline of consumption are manifestations of the contradiction of capitalism rather than its causes. For Marx, in effect, the result of the process described above is certainly also a fall of consumption, but this effect is produced by a path different from that described by [Joan] Robinson. The starting point of the depression process is not, for Marx, on the side of consumption but on the side of the expansion (*valorisation*) of capital which cannot take place because of the tendential fall in the rate of profit.[12]

It would seem to follow from this line of reasoning that any questioning of the general and universal validity of the falling tendency of the rate of profit for all capitalist societies in all stages of their development is tantamount to saying that capitalism's contradictions are only relative and under certain conditions may even disappear. Since the authors in question obviously do not want to be forced into this position, they are obliged to assert the validity of the law of the falling tendency of the rate of profit in the most absolute way possible. And in the course of doing so they have recourse to some rather strange arguments. I quote Cogoy again:

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12. Cogoy, *op. cit.*, p. 406. There is a problem of translating into English such expressions as *mise en valeur* and *valorisation*. I assume that they are used as equivalents of Marx's *Verwertung* which is generally best rendered as "expansion of value" or in some cases "self-expansion of value."

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The formula for the rate of profit . . . shows that the fall in the rate of profit can be checked by raising [the rate of] exploitation or by maintaining the same organic composition. In other words, capitalist development can take place on condition that it seizes all opportunities to brake the fall in the rate of profit. Empirical data purporting to prove the maintenance of the rate of exploitation or of the organic composition therefore do not prove either the truth or the falsity of this law. They are rather the provisional result of the effort put forward by the system to maintain its variables in a constant relation or to make them vary according to precise proportions with a view to avoiding the fall in the rate of profit. Marx does not consider these variables as data which should be the starting point of the analysis, but rather as the resultants of the social forces which underlie them and which it is the task of analysis to reveal. In this sense the central task of modern Marxist political economy is to analyze how, up to a point, the social system of production provisionally organizes itself with a view to maintaining certain variables at the required level in conditions of rapid technological development with strong capital intensity. . . .

The Marxist law of accumulation and of the tendential fall of the rate of profit . . . does not express empirically verifiable relations from which the analysis can begin. The fall of the rate of profit, seen as a tendency of the system to depart from the narrow path of growth can never manifest itself empirically except in crises. It is the negative rule of capitalism; it represents the shoals to be avoided if capital is to be able to continue to be accumulated without shocks.[13]

It will be seen that Cogoy sets up a straw man by introducing the notion of the rate of exploitation and the organic composition as "empirically verifiable relations from which the analysis can begin." Those of us who question the universal (for capitalism) validity of the law of the falling tendency of the rate of profit obviously entertain no such ridiculous idea. Moreover, I imagine that most if not all of us would agree that these variables "are the resultants of the social forces which underlie them and which it is the task of analysis to reveal." But Cogoy should ask himself what these social forces are before assuming, as he evidently feels entitled to do, that they naturally and normally operate in such a way as to produce a falling rate of profit, for it is precisely this assumption which we maintain cannot be justified.

13. *Ibid.*, pp. 407-408.

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What, then, are these forces? They are many and interrelated in complicated ways: here we can do no more than mention the most important. First, there are the forces (including, according to Marx, historical and moral elements) which determine the value of labor power. Second, there are science and technology which govern the productivity of labor and the composition of capital. And third, there is the class struggle which controls the length of the working day and the intensity of labor, and which is also of course a co-determinant of the value of labor power. Marx studied all these forces, historically and empirically, on the basis of the data available to him more than a hundred years ago. He reached certain conclusions which he formulated as capitalism's "laws of motion," including the law of the falling tendency of the rate of profit and its counteracting causes.

The question I would like to put to Cogoy and the others who think like him is this: Do you maintain that these laws were established once and for all by Marx, that they are invariant to changes in the forces which underlie them, and that there is therefore no reason for us to follow Marx's example in studying capitalist reality and drawing our own conclusions from our studies?

If the answer is yes, if these theorists really believe that Marx said the last word on capitalism's laws of motion, then I for one can only say that I cannot take them seriously. Their Marxism has degenerated into a sterile orthodoxy which cannot help us to understand and deal with the problems of capitalism in the last third of the twentieth century.

On the other hand if one rejects the notion that all of Marx's laws are as valid now as they were in his time, and if one concludes on the basis of the data available to us today that the law of the falling tendency of the rate of profit is no longer operative, then one must conclude that an analysis of accumulation which, in Cogoy's expression, "rests on the tendential fall of the rate of profit" is doomed from the outset to futility. And it follows of course that one must pursue a different course in seeking to unravel the contradictions of the accumulation process. How this can be done was indicated very clearly by Marx himself in the same part of Volume 3 which is devoted to the

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falling tendency of the rate of profit. Here is the relevant passage:

> The conditions of direct exploitation and those of the realization of surplus value are not identical. They are separated logically as well as by time and space. The first are only limited by the productive power of society, the last by the proportional relations of the various lines of production and by the consuming power of society. This last-named power is not determined either by the absolute productive power or by the absolute consuming power, but by the consuming power based on antagonistic conditions of distribution, which reduces the consumption of the great mass of the population to a variable minimum within more or less narrow limits. The consuming power is furthermore restricted by the tendency to accumulate, the greed for an expansion of capital and a production of surplus value on an enlarged scale. This is a law of capitalist production imposed by incessant revolutions in the methods of production themselves, the resulting depreciation of existing capital, the general competitive struggle, and the necessity of improving the product and expanding the scale of production for the sake of self-preservation and on penalty of failure. The market must therefore be continually extended so that its interrelations and the conditions regulating them assume more and more the form of a natural law independent of the producers and become ever more uncontrollable. This internal contradiction seeks to balance itself by an expansion of the outlying fields of production. But to the extent that the productive power develops, it finds itself at variance with the narrow basis on which the condition of consumption rests. On this self-contradictory basis it is no contradiction at all that there should be an excess of capital simultaneously with an excess of population. For while a combination of these two would increase the mass of the produced surplus value, it would at the same time intensify the contradiction between the conditions under which this surplus value is produced and those under which it is realized.[14]

Some people have called the kind of theory toward which this passage points "underconsumption." The designation is perhaps unfortunate since it singles out for emphasis one strand of

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14. *Capital,* Vol. 3, pp. 286-287. Cf. also the powerful passage a few pages later which begins: "*The real barrier of capitalist production is capital itself.* It is the fact that capital and its self-expansion appear as the starting and closing point, as the motive and aim of production, that production is merely production for *capital,* and not vice versa, the means of production mere means for an ever-expanding system of the life process for the benefit of the *society* of producers." (p. 293)

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a complex whole. A better description might be to call it a theory which centers on the contradiction between the capacity to produce and the capacity to consume of a society organized on capitalist lines. *This* contradiction—but not the falling tendency of the rate of profit—is in fact already implicit in the concept of capital as self-expanding value. Capitalism's utopia in a sense is a situation in which workers live on air, allowing their entire product to take the form of surplus value; and in which capitalists accumulate all their surplus value. This would represent the maximum conceivable rate of expansion of capital. But, alas, it would also represent the total abolition of value as such, since the aggregate of commodities produced, not entering into human consumption, would lack use value without which there can be no value.[15] The ultimate contradiction of capitalism is that it strives with might and main to reach this utopia, acting in the process as though use value were only an obstacle to its success; but the closer it seems to approach, the more imperatively does use value assert its character as the alter ego of the very value which is the object of the frantic efforts at expansion.[16]

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15. To quote the opening paragraph of the *Critique of Political Economy*: "At first sight the wealth of society under the capitalist system presents itself as an immense accumulation of commodities, its unit being a single commodity. But every commodity has a twofold aspect, that of *use value* and *exchange value*."

16. It is important to understand the radical difference between this theory and the shortage-of-effective-demand theory of the left Keynesians. Cogoy correctly cites Joan Robinson as an exponent of the latter theory, quoting her (*op. cit.*, p. 403n) as follows: "The maldistribution of income restricts consumption, and so increases the rate of investment required to maintain prosperity, while at the same time it narrows the field of profitable investment, by restricting the demand for the consumption goods which capital can produce." (The quotation is from *An Essay on Marxian Economics*, 2nd ed. [London, 1966], p. 71.) The crux of the matter here is what the Keynesians consider to be maldistribution of income, clearly implying that matters can be put right by a suitable *re*distribution of income and thus opening the way for all sorts of reformist illusions. Apart from matters of formulation, this places the Keynesians squarely in the tradition of such liberal and social democratic reformers as Hobson in England and Conrad Schmidt in Germany. Marxism, on the other hand, has no place at all for the concept of maldistribution of income: the root of the problem lies in the very nature of capital as self-expanding value, and this cannot be changed except through the overthrow of the system and the establishment of entirely new relations of production.

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This contradiction between the power of production and the power of consumption, between self-expanding value and contracting use value, vents itself in crises and stagnation which capitalism seeks to overcome not through producing what the workers need to live decent lives (that would be to negate its own nature), but by creating irrational and inhuman modes of consumption more in keeping with the spirit of capital.

I believe that it is along these lines that a fruitful analysis of the accumulation process must proceed. It will be noted that the central contradiction between the power to produce and the power to consume grows in severity with the increasing productivity of labor and the rising rate and volume of surplus value which characterize advanced capitalist societies. It is in this context that the monopolistic tendencies discussed above—acting to raise both the rate of surplus value and the rate of accumulation—take on their greatest significance. It is only under conditions of fully developed monopoly capitalism that lagging consuming power threatens to plunge society into a profound and permanent stagnation and hence gives rise to the most monstrous and destructive forms of forced consumption.

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BOOKS

LIFE AND DEATH IN EL BARRIO

By Lorenzo Thomas

Puerto Rican Obituary by Pedro Pietri. Monthly Review Press, 1973. $7.50; paperback (June 1974), $2.95.

My brother, who looks out for me, sent me a little book published in New Orleans called *Enchantments*. On page 34 it says:

Passing through the fire is an age-old practice. It is certainly no sport for triflers, for it requires an enormous amount of "enchanting" in order to "get into the spirit" that will make this spectacular feat possible. First the drums must begin to beat out their measured jungle rhythm—over and over again.

Scary stuff, Bro. But it set me to thinking.

America has passed lots of other people's sons and daughters through the fire of racism, hatred, and discrimination. And we have all of us got burned. In Indochina, America burned 'em with napalm . . . a case of "duty" triumphing over Deuteronomy.

Lorenzo Thomas is a poet and writer-in-residence at the Black Arts Center in Houston, Texas. This review appeared in *University Review*, April 1974, and is published here by permission.

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But payback is a mother.

And when I discovered the poet Pedro Pietri, I thought: Now here is a cat gonna throw a whole bunch of them wrong folks off into the fire. America know they been wrong. Gonna deal with 'em, Bro! Here's a young brother from Ponce, Puerto Rico and Harlem who is really hip to the moment. Carries his poems in a bag. Like they was supposed to be drums. And the poems are drums.

And drums are the tools of magicians.

Pedro Pietri once came to a reading at the Manhattan Theater Club all ragged in black (a wisdom magician) . . . black watch-cap rolled at the brim, black shirt and suit, black combat boots. Black clip-on bowtie for the more formal poems. Poems in a black plastic bag. And a black, homemade, adjustable/reversible staff/crucifix/sword which he told us Nixon made necessary. And, most naturally, Pedro sang us poems . . . creating sounds such as you've never heard (as the old ESP catalog used to put it). Maybe a hundred Puerto Ricans, blacks, and whites heard him that night. And, definitely, that was not enough.

Up till now, Pietri has been represented only in *P'alante* (the Young Lords Party newspaper), several fugitive pamphlets, and a strange lp which grooves enough *santos* vibrations to make your ordinary Sam Goody's Garrard turntable RISE. Now, Monthly Review Press offers a much more complete collection of Pietri's works, and it is only sad that his actual voice cannot be printed. But those who have been fortunate enough to hear that voice (more properly *voices,* because Pedro is as versatile in that respect as Stevie Wonder) will imagine the sounds leaping from the pages of *Puerto Rican Obituary.*

The poems in this book are startling, spooky, and as fresh as an Assistant Manager in a NO CREDIT REFERENCE NEEDED furniture store.

Pietri is a very social poet. There are no love poems here, except that every line breathes his love for his people. And his focus is on the misery that his people are forced to suffer in a dying, racist/imperialist world. He would probably like to crown the autocrats at their breakfast tables, but with a brick. Pietri's strength is outrage; he is as cunningly adept as the young James Baldwin, but presents a cynical humor rather than Baldwin's weepy tone. Pietri's rage is carefully controlled, and the more threatening for that reason. The craft in these poems is a keen, uncompromising perceptiveness that is clandestinely analytical and emotionally gripping as well. The grip is the cold grasp of the *ghedes,* the dark and

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funereal mystery powers of the African imagination. In Haiti and Harlem, in Cuba and Puerto Rico, the *ghedes* have charge of the cemetery and, in the vision of Pietri (foremost of the ghetto *ghedes*), the North American *barrio* is something of a graveyard for the better hopes of his people, for whom "the promiseland/has become the garbage can."

In "The Broken English Dream" he writes:

To the united states we came
To learn how to mispell our name
To lose the definition of pride

And he follows this with a full catalogue of the many abuses that Puerto Ricans must suffer in New York. There remains the original resentment of having been coerced into American citizenship, the destructive colonial relationship of the United States and Puerto Rico which the great Cuban poet Nicolás Guillén expressed in the image:

Manhattan y Borinquen, soga y cuello
(Manhattan and Borinquen, noose and neck)

And finally the ghetto itself where the proud interconnected histories of Africa and of Borinken, the flame of tropic sun and vibrant life, is wretchedly superseded by:

condem buildings
in el barrio
the south bronx
lower manhattan
fort greene
astoria queens
and wherever else
we are concentrated
castrated and liquidated
in the name of democracy
that raped our nation
with deadly weapons
and dumped us into
the garment district

(This last is from Pietri's poem, "Monday Morning," which I suspect to be an earlier poem because it barely indicates, for all its effectiveness, the full range of the man's powers.)

The book's title poem, "Puerto Rican Obituary," is a major work, a classic of rage and of the language of Puerto Rican New

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York. A masterpiece. Here the protest is directed to the ears of his own people, and when Pedro sings the seance section's "Rise Table Rise," he gets off into a gruesome child's game telling the T-ruth truth about the proletariat's new clothes:

> If only they
> had kept their eyes open
> at the funeral of their fellow employees
> who came to this country to make a fortune
> and were buried without underwears
> Juan
> Miguel
> Milagros
> Olga
> Manuel
> will right now be doing their own thing
> where beautiful people sing
> and dance and work together
> where the wind is a stranger
> to miserable weather conditions
> where you do not need a dictionary
> to communicate with your people
> Aqui Se Habla Espanol all the time

It is not merely Spanish that's the solution; but we'll come back to that later. It's Pietri's poetic excellence that these lines have been quoted to exhibit.

This excellence is, of course, not a matter of the eloquence of his English, but of his skill in handling the manner and material of his poems. Pietri, like David Henderson and Allen Ginsberg, effortlessly telescopes vast social problems into effective image-clusters. He makes up his own mythology out of the media day-dreams we all share. An example is the poem "Last Game of the World Series" which combines headtrips, skyjacking, and cultural "deprivation" into one hilarious and grotesque journey to the end of afternoon. The colors are all black and Pietri's irreverently un-American graffiti is inspired:

> RAMA LAMA RAMA DING DONG
> RAMA LAMA RAMA DING DONG DONG
> is all you can put down
> on the examinations they give you
> everytime you apply for a job

You can almost hear the woman's mouth! But, unnaturally, the pentecostal fire of the ghetto's streetcorner symphonies does not

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qualify as culture in hypocrite glutton corporation Amerika. And it does not qualify you for a sunny spot in the money jungle.

Pedro Pietri's imagination has known other, more beautiful jungles but the emergency of our daily subsistence requires his vision to focus on these dreadful concrete scenes in a Manhattan scarcely imagined by old gray Walt Whitman. But the lessons of imagination are never forgotten. The fantastic quality of Pietri's seamy landscapes reminds one of an Henri Rousseau contemplating a garbage dump, but painting it with the same jewel colors he used for the dream forests now trapped in millionaire oilmen's museums. The degradation of the oppressed has never been more acidly funny and the only thing that compares to the vibrating tones of Pietri's cartoons of despair is the description of West Kingston's slum town in *The Children of Sisyphus* by the Jamaican novelist, Orlando Patterson.

Pietri's imaginative power, like Patterson's and like that of poet Victor Hernandez Cruz, is rooted in the splendid discipline of close observation. Pietri's "Silent Movies" is a deeply and clearly incised view of the simple reassuring gesture we all make every time we leave our apartments.

The ability to do what Pietri has done in these poems requires a writer to move beyond the confines of language, which the bilingualism imposed on him has perhaps forced him to do. And when a poet who is capable of this trick returns to the realm of language, he returns like the proverbial madman who has seen more than ordinary words will bear, a veritable Ezekiel, having been baptized in a flood of light. And, although Light is what vision is all about, the poet returns with a new sense of the value of Sound.

In Pietri's poems, in the interior mythology of the poems, sound is sense. Sound is exhilaration. High spirits (i.e., gods). The "Rise Table Rise" stuff is a twofold thing. The answer to the social problems in the poems booms out of the loudspeaker on the mysterious plane during "The Last Game of the World Series":

IF THERE IS ANYBODY
ABOARD THIS FLIGHT
WHO WANTS TO PARTICIPATE
IN BLOWING THE MINDS
OF THE REACTIONARY CREW
COMANDEERING THIS PLANE
IMITATE THE SACRED DRUMS
THAT TALKED EXISTENCE
INTO YOUR BLOOD STREAMS

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Which takes us back from Nueva York to Borinken, and from there to West Africa and the drums of the Dahomean *orisha.* Back to the spirit religions that the Christian world pallidly reflects. For the mysterious plane is a plane of existence, not a DC-8, and the sound of the drums has been adapted to English words in these poems just as it has been adapted to Western musical instruments by geniuses like Sun Ra and Eddie Palmieri.

The imitation of the drums in words is Pietri's own style. His circular rhyme and syncopated rhythms are properly called ecstatic. Pedro cannot recite his poems without singing. This is why in the magnificent "Suicide Note from a Cockroach in a Low-Income Housing Project" his persona, though justifiably depressed by life's conditions, avoids the gloomy grayness of Kafka's Gregor Samsa, preferring the sprightly rhythms of a Harlem samba:

> I want to be
> a million miles away from humanity
> with their vanity and profanity
> and insanity preachers preaching survival
> for them and the hell with everybody else
> who cannot read the new york times
> drink good booze have the wall street blues
> hate discriminate castigate castrate
> liquidate assassinate and instigate air pollution
> oppose revolutions that will put a conclusion
> to confusion and welcome positive solutions
> end false illusions of the beginning of time

Pietri's audience always says "Whew!" in Spanish and English. At the same time.

America has for too long been the graveyard of too many people's dreams. It has finally found a resident spirit in the form of the poet Pedro Pietri who comes with the terrible healing powers, carrying the drums in his being. Always, the dance and the drums.

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by Pedro Pietri

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(*Continued from inside front cover*)

are, in alphabetical order: Alonso Aguilar, Samir Amin, Grace and James Boggs, Harry Braverman, Paresh Chattopadhyay, Oliver Cox, John Dumoulin and Isabel Larguía, Ralph Miliband, Andreas Papandreou, and Clive Thomas.

It is interesting to recall that Vol. 1, No. 1 appeared just as the Chinese Civil War was entering its last phase. While there is much in that issue with which we disagree today, there is one statement which has stood the test time remarkably well, and which we quote with pleasure 25 years later:

"The impending victory of the Chinese Communists is a world-shaking event, comparable in importance to the Russian Revolution of 1917. Then, one-sixth of the land surface of the globe; now, one-fifth of the human race. Historians of the future will doubtless rank 1949 among the crucial years in "The Period of Transition from Capitalism to Socialism," which will surely be as popular a subject with scholars and students as "The Renaissance" and "The Reformation" are today. But there will be this difference: interest in the Renaissance and the Reformation is largely found in countries with a western European background; interest in the transition from capitalism to socialism will be universal."

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